HON'BLE SRI JUSTICE GOPALA KRISHNA TAMADA

W.P.No.22273 of 1998

Dated 23rd day of October, 2007

Between:

M/s.Madhusudan Textiles, rep. by its
Manager, Shiv Ratnam, Hyderabad .. Petitioner

And

The Managing Director, A.P.I.I.C. Limited,
Hyderabad
and three others ..
Respondents

O R D E R:

This writ petition is filed seeking a mandamus to declare the action of the Executive Director (D), A.P.I.I.C. Limited in issuing letter dated 18.6.1998 and also the letter dated 22.7.1998 issued by the 3rd respondent-Zonal Manager, A.P.I.I.C. Limited, as arbitrary and illegal, and consequently direct the respondents-Corporation to execute the registered sale deed in favour of the petitioner without insisting on further payment in respect of the land and Shed No.F2.

The case of the petitioner-Madhusudan Textiles is that it was allotted Shed No.F2 by A.P. State Financial Corporation. In fact, the shed was originally allotted to M/s.Sri Rama Textiles, and as Srirama Textiles did not repay the finance, it was sold to the petitioner under Section 29 of the A.P. State Financial Corporation Act. As per the letter dated 20.6.1984 addressed by the Senior Manager, A.P.State Financial Corporation, the petitioner paid a sum of Rs.42,000/-, and thereafter, came into possession of the shed and carried on business till 1988 and afterwards, it could not carry on the business because of the bad financial position and the shed was closed. Thus, the petitioner fell in arrears of an amount of Rs.67,650.90 towards costs and maintenance charges of shed to the 3rd respondent, who issued a letter dated 4.1.1994 directing the petitioner to pay an amount of Rs.2000/- towards process fee for transfer of title deed in favour of the petitioner. The petitioner made a representation dated 22.8.1997 to the 4th respondent requesting him to grant concession insofar as the interest is concerned, and accordingly, the 4th respondent vide his letter dated 9.9.1997, agreed to give commission on interest provided the petitioner clears off the outstanding dues and pays necessary process fee. It is also stated that the petitioner, on 20.9.1997, paid a

sum of Rs.36,695.70 and an amount of Rs.2,696.40 towards costs of the shed and maintenance charges respectively. Thereafter, a further sum of Rs.13,545/- was paid on 24.12.1997 towards process fee. Thus, according to him, he paid the entire amount and there was no due as on that date. After paying the entire amount, he gave an application to the respondents on 24.12.1997 requesting them to complete necessary formalities for registration of the land and shed, but no action has been initiated. Now, the petitioner's grievance is that though the petitioner made several representations, the respondents have not registered the land and the shed in its favour, but issued letters on 18.6.1998 and 22.7.1998 stating that the possession of the shed will be taken on 29.7.1998 at 3.00 P.M.

The respondents have filed counter affidavit stating that the original allotment of shed to M/s.Srirama Textiles and the subsequent transfer of it to the petitioner is not in dipsute. It is further stated that the original allottee i.e. M/s.Sree Rama Textiles is due an amount of Rs.63,296.25 towards costs of the shed as well as maintenance charges, as such, a letter was addressed to the petitioner to clear off the arrears so that the occupation of the shed would be regularized in favour of the petitioner, but the petitioner has not cleared off the arrears.

Having heard the learned counsel for both the parties and perused the material placed on record, this Court is of the view that the petitioner is in arrears, as such, it necessitated the Executive Director, A.P.I.I.C. Limited and the 3rd respondent to address the letters dated 18.6.1998 and 22.7.1998 respectively. In fact, the action of the respondents-Corporation is justified. When the petitioner-Textiles fails to clear off the arrears, it is always open for the respondents-Corporation to evict it from the shed and allot it to anybody of its choice. According to the petitioner, it paid a sum of Rs.36,695/- and

Rs.2,696.40 towards costs of the shed and maintenance charges on 20.9.1997, and a sum of Rs.13,545/- towards process fee for allotment of the shed on 24.9.1997 and also paid 50% of the arrears by virtue of the interim orders passed by this Court on 11.8.1998, and there is no balance amount to be paid by it. However, as the petitioner has come forward stating that it will clear off the entire arrears if any, this Court is of the view that the petitioner be given an opportunity to establish its *bona fides* and clear off the arrears. Hence, the respondents-Corporation is hereby directed to calculate the balance fee, if any to be paid, without charging penal interest, and if the amounts stated above are sufficient, the respondents may allow the petitioner to continue to be in possession of the Shed No.F2 situated at S.E.I.E. Katedan, Hyderabad, and if there are arrears, those amounts shall be paid by the petitioner within a period of four weeks from the date of receipt of a copy of this order, and on demand, the petitioner shall be permitted to continue to be in possession of Shed No.F2

With the above direction, this writ petition is disposed of. No costs.

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23.10.2007

bcj